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Report Highlights: The effects of China's entry into the WTO are being delayed. Subsidized corn exports continue under pre-WTO accession contracts and 2002 TRQ allocations will not be announced until March 5. Concerns about biotech regulations also threaten corn imports. Prospects for corn imports improve later this year if world prices remain low. Wheat and rice imports will be limited to high-value demand which cannot be met by domestic production.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Summary

China's entry into the WTO in December was an important event for China's grain sector. In the short-term, however, its impact will be muted. Entry has meant that China needs to drop all export subsidies and institute large Tariff Rate Quotas for wheat, corn and rice, but implementation has been slow. Subsidized exports of corn are continuing based on pre-WTO accession contracts and TRQ allocations supposed to be in place by January 1, 2002 will not be announced until March 5.

In addition, overhangs of stocks remain large. Government price support programs and a downward shift in demand for wheat and rice led to a very large buildup in grain stocks in the late 1990's. Two years of reduced planting area and poor weather have significantly reduced these stocks but the overhangs remain particularly for wheat and rice. These stocks will constrain TRQ imports in this and the next marketing year. To the extent that international prices stay low enough to discourage the use of Chinese rice and wheat in feed rations, corn imports will increase. Wheat and rice imports will be restricted largely to demand for higher-value grains which cannot be met completely by domestic production. Corn imports are also threatened by new restrictions on GMOs.

In the longer term, after China works down current stocks, the prospects are better. The Government has shown no intention to return to the large support programs of the past and feed demand should continue to grow steadily. However, demand for food grain, particularly wheat, looks to be far less robust as Chinese incomes rise and per-capita consumption of staples continues to decrease.

Wheat

Production

For the third year in a row, the Government is reporting drops in winter wheat planted area. These drops will likely be repeated for spring wheat. In 2002 planted area for wheat will be roughly 80 percent of average levels from 1978 to 1999. Indeed, it will mark the third record low planted area in as many years. Although last year's weather was somewhat drier than normal, the decreased area at best means that production this year will be equal to last year's.

Several factors are responsible for this downward shift in planted area. First of all, the Government has substantially cut back on its price support program since 1999. Absent Government supports, alternatives like rapeseed, vegetables, fruits and cotton have proven more attractive. At the same time 25 years of unfettered exploitation of water resources have begun to catch up with farmers in the more arid wheat-growing regions in Northern China. With wells now reaching depths of 300 meters or more and rivers frequently running dry, the cost of water has risen. Some better management of existing water resources, as well as the potential for some south to north water transfer projects, might bring limited relief in the longer term. For the near term it remains a problem and is helping to motivate the switch to crops such as vegetables and fruit which produce more value per unit of water used.

The shift to a more market-oriented production system also appears to be affecting the quality of wheat grown. With arable land, and now water, scarce in major wheat growing regions, farmers are finding it attractive, at the Government's urging to switch to "high-quality" wheat which can give a better return on land and water inputs. The "high-quality" specifically refers to new low-protein and high-protein wheat varieties. These are intended to allow the industry to diversify away from the middle-protein varieties that have dominated China wheat production through the past 40 years, when maximizing yields was the primary concern. Although the Government includes both, it appears so far that the preponderance of work has been done introducing new high-protein varieties The new varieties are not only supposed to provide millers with the wheat necessary to produce the western-style cakes, cookies and breads that are becoming more popular in China but are also supposed to help improve the quality of traditional noodles, dumplings and steamed breads.

From nil production 3 years ago, high-quality production will account for more than a quarter of the 2002 crop. Millers report that initially high-quality wheat was lost in the grain system's inefficient marketing system, but that in recent years they are better able to source it. Still, consistency of supply is a problem and many millers are resorting to individual contracts with farmers to insure supplies. High-quality wheat is by and large winter wheat. Spring wheat in China has always been considered the lowest quality, which is why its production has trailed off in recent years. However, there is apparently no agronomic reason why the very high-protein, high-value spring wheat that is grown in North America could not also be grown in China. Millers have reported that they are now sourcing small amounts of high-protein spring wheats from the northern provinces of Inner Mongolia and Heilongjiang.

Most observers would agree that China's high-quality wheat program has met with some success. Millers however, report that although the new varieties grown in China can reduce their need for imported wheats in cake, cookies and bread flour, they still cannot completely replace it. Millers still need to blend in imported wheat to reach desired quality levels. It is also important to keep in mind that China's quality wheats have been introduced during a period of strict

controls on wheat imports. With China's WTO entry and increased access to imports in 2002, the premium that Chinese high-quality wheats can demand will likely be reduced. It remains to be seen if the new high-quality varieties can compete with imports. However, the traditional varieties would seem even less competitive. It is the general case in Chinese agriculture that the constraints of scarce land and water, combined with an abundance of labor, supports a move to higher-value agricultural production. Therefore, if wheat is to be grown in China, it would seem that high-quality wheat would be the logical economic choice. Indeed, in the longer term it may make sense for China to meet most of its demands for higher-valued wheats domestically, and to import low cost, lower quality wheats. In other words, an exact reversal of the current situation.

Consumption.

It is typical of developing countries that per-capita consumption of staples decreases with rising incomes. Since wheat-based foods are the staple for most of Northern China, this has meant that per capita consumption of these products has dropped over the past ten years. The Governments's abandonment of a coupon rationing system for major staples probably amplified this drop in the early stages. Many analysts have assumed that this drop in northern staple consumption was more or less being matched by increases in demand throughout China for western-type wheat products. As a result, wheat consumption has been thought to increase at roughly the rate of population growth. Recent circumstances are casting some doubt on this analysis. As noted in the corn section below, higher corn prices have prompted heavy increases in feeding of wheat over the last year and half. At the same time, the output for the last two years has been 15 to 20 MMT off the pace of previous years due to reduced area and sub-par weather. Still, traders and Government officials alike have reported ample stocks. Considering that the Government felt the need to import wheat heavily in the early to mid-nineties, it seems that demand for wheat has been shifting downward since the early nineties. If not, the perceived shortages in earlier years were, for some reason, illusory.

If there has been a downward shift, the question of its magnitude is pivotal. It would seem unlikely that the shift has been so large that current production levels, 20 percent of those of several years ago, could satisfy yearly demand. If demand were matching supply it would mean that China's per-capita consumption would still be considerably higher than that of nearly every other Asian country in the region. However there still are a large number of poor rural Chinese in northern China who rely on the traditional wheat-based diet. So it appears for the short term that China is probably working off huge stocks that built up during the late 1990's.

It is important to remember though that the process is continuing. The rural populations are gradually moving to urban centers and becoming wealthier. In Northern cities the cuisine seems to be tending toward a more universal Chinese cuisine with more meat, seafood and vegetables, and traditional wheat staples seem to be less popular than rice-based staples.

Trade

The trade situation for this and next marketing year relies heavily on two factors already discussed, stocks and the introduction of high-quality wheat varieties. As already noted, many in the trade feel that, despite much smaller crops and increased feeding, wheat stocks remain more than adequate for this year and probably next. The trade feels, however, that despite quality improvements, domestic wheats cannot compete with very high protein imports such as Dark Northern Spring and low-protein imports such as Western White for a good proportion of millers' needs.

Although China imported some 400,000 MT of wheat in the last few months of 2000 based on a special agreement between Canada and China, imports have been tightly controlled to minimize imports of high- and low-protein wheats. Most imports in the past two years have been re-exports. Millers export lower quality flour to compensate for higher-valued wheat imports.

With China's entry into the WTO last December, the country is now obligate to open an 8.468 MMT tariff rate quota (TRQ) for wheat in calendar 2002. In 2003, the quota increases to 9.052 MMT. Under this system the wheat within the TRQ would enjoy a 1 percent tariff. Imports beyond this amount would carry a prohibitive tariff. The TRQ was supposed to be made available January 1, but regulations only recently came out and the allocation will not be announced until March 5. For that 10 percent of the quota reserved for the private trade, quota will be based on past imports and current production capacity. The remaining 90 percent of the quota goes to state-owned companies that must release any unused quota next September for re-allocation.

This means that, at least for this marketing year, imports will probably not be much higher than last year. For next marketing year, imports should be greater, but assuming stocks remain ample, imports should be restricted to imports of high- and low- protein wheats which cannot yet be matched by local production. It is hard to say how large imports will be, but the consensus among the trade is that it will be well less than the total TRQ available.

Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	26650	26653	25200	24600	0	24000
Beginning Stocks	65158	68783	50475	51274	31975	32274
Production	99640	99636	94000	94000	0	92000
TOTAL Mkt. Yr. Imports	300	478	1500	1500	0	3000
Jul-Jun Imports	300	478	1500	1500	0	3000
Jul-Jun Import U.S.	0	200	0	750	0	0
TOTAL SUPPLY	165098	168897	145975	146774	31975	127274
TOTAL Mkt. Yr. Exports	623	623	500	500	0	100
Jul-Jun Exports	623	623	500	500	0	100
Feed Dom. Consumption	3500	12000	3000	10000	0	5000
TOTAL Dom. Consumption	114000	117000	113500	114000	0	108000
Ending Stocks	50475	51274	31975	32274	0	19174
TOTAL DISTRIBUTION	165098	168897	145975	146774	0	127274

China's Average Wheat Wholesale Prices			
(Renminbi Per Metric Ton, RMB 8.27 = USD 1.00)			
Month National Average Price	White Wheat Grade 3	Wheat High-Quality	Wheat Flour Grade 1
December (2000)	1,066	1,151	1,568
January (2001)	1,068	1,157	1,550
February	1,075	1,159	1,543
March	1,073	1,156	1,474
April	1,087	1,156	1,474
May	1,051	1,146	1,435
June	1,054	1,161	1,416
July	1,072	1,192	1,425
August	1,098	1,202	1,430
September	1,098	1,191	1,431
October	1,100	1,186	1,420
November	1,088	1,177	1,410
December	1,080	1,162	1,410
Source: China National Grain and Oils Information Center f:\shared\lotus\grnfd\wheat\whtprc01.wk4			

China's Wheat Imports By Origin, MY 2000/2001 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
United States	86	22	43	79	230
Australia	30	12	40	4	86
Canada	64	6	1	1	72
Japan	4	4	3	3	14
United Kingdom	0	0	9	1	11
South Korea	2	2	2	2	9
Nepal	4	3	1	1	9
Belgium	1	2	0	3	6
Italy	1	1	0	1	3
All Others	1	1	1	3	6
Grand Total	193	53	101	99	446
Source: China Customs HS Codes: 1001.1000, 1001.9010, 1001.9090, 1101.0000, 1902.1100, 1902.1900, 1902.3030					

China's Wheat Imports By Origin, MY 2001/2002 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Canada	45	362			407
United States	58	54			112
Australia	5	15			20
Belgium	3	5			8
Japan	4	3			7

South Korea	2	3			5
Nepal	1	2			3
Thailand	2	1			3
Hong Kong	1	1			2
All Others	2	2			5
Grand Total	122	449			572

Source: China Customs
HS Codes: 1001.1000, 1001.9010, 1001.9090, 1101.0000, 1902.1100, 1902.1900, 1902.3030

China's Wheat Exports By Destination, MY 2000/2001
(1,000 Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Hong Kong	33	32	43	33	142
South Korea	5	6	5	80	97
North Korea	12	11	15	17	54
Indonesia	11	14	10	18	53
Mongolia	17	10	9	12	48
Canada	2	3	0	2	10
United Kingdom	3	2	1	2	8
Japan	1	2	1	2	6
Kazakstan	2	1	1	2	6
All Others	12	10	9	13	45
Grand Total	100	91	97	182	470

Source: China Customs
HS Codes: 1001.1000, 1001.9010, 1001.9090, 1101.0000, 1902.1100, 1902.1900, 1902.3030

China's Wheat Exports By Destination, MY 2001/2002
(1,000 Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
South Korea	183	122			305
Hong Kong	43	38			81
Philippines	44	35			79
Indonesia	30	37			67
North Korea	23	28			51
Mongolia	13	14			27
Canada	2	3			5
Myanmar	1	4			5
United Kingdom	2	2			4
All Others	13	14			27
Grand Total	353	297			651

Source: China Customs
HS Codes: 1001.1000, 1001.9010, 1001.9090, 1101.0000, 1902.1100, 1902.1900, 1902.3030

Corn

Production

Recent reports indicate that official Chinese statistics will ultimately put total corn production in 2001 near 115 MMT. This is 5 MMT above what most analysts predicted. This will mark the second time in three years that corn figures have come in significantly higher than analysts expected. These unexpectedly high results are consistent with what has been happening with other recent crop estimates, most notably cotton. The National Statistics Bureau (NSB), the Chinese organization that makes crop estimates, is a very opaque organization. The NSB admitted that changes in statistics were necessary following a sharp upward adjustment in arable land numbers in the late nineties. It is possible these surprising results could at least in part reflect these adjustments. Although the NSB originally talked only of adjusting yields and arable land series, some adjustment in production numbers may also be occurring. It is difficult to know for sure. At any rate, the failure of the Government to provide timely pre- and post-harvest production estimates continues, to say the least, to be an annoyance to the industry worldwide.

Corn prices have fallen in recent months. This will likely help keep farmers from expanding planted area much in 2002. Prices could well improve in coming months but even so, fears about competition from imports now that China is a member of the WTO, and continued weak price support programs, are working to hold down planted area for corn.

Despite the new higher government estimates, 2001 was still a bad weather year, the second in a row. Given a more normal weather year, total production in 2002 should be up significantly over the last 2 years.

Consumption and Stocks

The Government does not publish figures on consumption, so establishing the rate at which the consumption of agricultural commodities is increasing, with any degree of certainty, is very difficult. Clearly though, feed consumption is growing. Swine and poultry numbers are increasing at 2 to 3 percent per annum as rising incomes are pushing up demand for livestock products. Domestic meat prices are strong, and although the poultry industry is concerned it may loose exports because of quarantine restrictions on its exports to Japan and the EU, demand for feed should continue to grow at the same pace through MY 2002.

Growth in feed demand, however, is not showing up completely in increased corn consumption. For the last part of 2000 and most of 2001, the growth in corn consumption has been dampened by increased feeding of wheat and rice. Relatively weak demand for wheat and rice for human consumption, combined with government policy that until two years ago encouraged increases in production, have lead to abundant supplies of both commodities. Thus, when corn prices began rising in 2000, wheat and rice feeding became economically attractive. Recent drops in corn prices are returning consumption to more normal patterns. However, as noted in the wheat and rice sections, indications are that, despite recent drops in production, stocks of wheat and rice remain large and will continue to provide a viable backstop for corn for both this and the next marketing year. This alternate feed source does not, by any means, rule out imports. Substitution of wheat and rice has been most pronounced when domestic corn prices were well above world prices. At current low world prices, significant corn imports would seem feasible.

To date, industrial corn consumption has not been that important to consumption growth. However, ethanol continues to be touted for environmental reasons and construction of at least one new processing plant is under way. Although ethanol is not likely to have much of an impact on this or next year's consumption, it will likely be a factor in the long term.

Stocks

Because prices have been relatively high for so long, it was felt that corn stocks were becoming tighter. Although the recent drop in corn prices has cast some doubt on this, the feeling remains that the overhang is not great even with the higher reported production numbers. Lower prices now are probably mainly due to new-crop marketings. Also, traders and farmers are undoubtedly fearful of increased imports now that China has entered the WTO and are probably inclined to minimize inventories as much as possible. With these sales complete, prices are expected to firm in March and April.

Trade

With its entry into the WTO late last year, China agreed to establish a tariff rate quota (TRQ) for corn of 5.850 MMT in calendar 2002, and 6.525 MMT in 2003. Under this system corn imports within the TRQ will enjoy a 1 percent tariff. Any imports beyond this amount will carry a prohibitive tariff. However, the Chinese Government has been slow to allocate the TRQ for importers. In mid-February the Government came out with final regulations which promise to allocate the quota by March 5 (see CH2008). The allocation process will divide the TRQ based on past imports and production capacity for that 32 percent of the quota (36 percent in 2003) reserved for private trade. The rest will go to state trading companies that might be expected to wait until as late as possible to use their quota. In September, unused quota must be returned and made available to other applicants.

In the last two months, another problem has arisen which could further complicate corn imports. The Chinese Government issued biotech regulations which require special safety certification for every shipment of corn which contains any proportion, no matter how small, of GMOs. For the United States, at least, this will mean that all corn cargoes must obtain this certification, since no exporter can guarantee zero presence. The process for gaining this certification is involved and the trade feels it will be almost impossible to obtain safety certification for all U.S. GMO corn varieties before the March 20 deadline. The Government appears to be holding firm on the deadline, and contracts for sales of the one major GMO commodity currently being imported, i.e., soybeans, have stopped. For corn, of course, this point is moot until allocations are announced in early March 5. However, the trade remains very concerned that the biotech regulations will create a serious barrier to corn trade. The regulation certainly has the capacity to cause such a disruption if the Government chooses, however it is also possible that in the end, just as has been the case in Korea and Japan after GMO regulations were implemented, the impact on trade will be minimal. It depends on how the Chinese Government wishes to enforce the regulations. So far the Government has expressed a willingness to work with the trade, but since, due to the complexity of the GMO regulations, no application for certification has yet been made, it remains to be seen how the Government will ultimately act. Trading partners, particularly the United States, continue to press China on the need to avoid trade disruption.

The other major concession related to corn that China agreed to make upon entering the WTO, is the complete elimination of export subsidies on agricultural exports. This is a dramatic change because, over recent years, China's subsidies for corn exports have totaled an estimated $1 billion. Subsidized exports have continued after WTO entry.

So far all these exports were for contracts signed before WTO entry. It remains to be seen whether trading partners will contest these imports nonetheless. It appears that the Chinese Government has told exporters that subsidies will end early March even for corn contracted before WTO entry. Trading partners are watching developments closely.

In sum, a good deal of uncertainty surrounds the corn situation. The current spread between domestic and world corn prices is not that great. However, as noted in the stock section, prices should firm in coming months, making imports attractive. However, imports may not be sizeable this crop year because of delays associated with initiating the TRQ and because of complications revolving around the new biotech regulations. However, imports could be significant next marketing year when it is hoped these issues will have been resolved. Changes in international prices could change this picture. However, post assumes that demand will be strong enough to allow much of the TRQ to be fulfilled and that imports will be up significantly in this and especially next marketing year.

Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Harvested	23100	23056	23500	24000	0	24000
Beginning Stocks	102314	102314	81088	87088	63088	80088
Production	106000	106000	108000	115000	0	125000
TOTAL Mkt. Yr. Imports	50	50	1000	2000	0	5000
Oct-Sep Imports	50	50	1000	2000	0	5000
Oct-Sep Import U.S.	0	0	0	1500	0	4000
TOTAL SUPPLY	208364	208364	190088	204088	63088	210088
TOTAL Mkt. Yr. Exports	7276	7276	3000	2000	0	100
Oct-Sep Exports	7276	7276	3000	2000	0	100
Feed Dom. Consumption	93000	89000	97000	95000	0	102000
TOTAL Dom. Consumption	120000	114000	124000	122000	0	125000
Ending Stocks	81088	87088	63088	80088	0	84988
TOTAL DISTRIBUTION	208364	208364	190088	204088	0	210088

China's Average Corn Wholesale Prices		
(Renminbi Per Metric Ton, RMB 8.27 = USD 1.00)		
Month National Average Price	Production Area /1	Sales Area /2
December (2000)	1,038	1,171
January (2001)	1,054	1,224
February	1,083	1,251
March	1,110	1,254
April	1,086	1,224
May	1,126	1,240
June	1,152	1,260
July	1,152	1,257
August	1,128	1,229
September	1,082	1,199
October	995	1,120
November	949	1,086
December	932	1,070
/1 Heilongjiang, Jilin, Hebei, Shandong, Henan /2 Tianjin, Jiangsu, Fujian, Guangdong, Jiangxi, Hubei, Hunan Source: China National Grain and Oils Information Center f:\shareed\lotus\grnfd\corn\crnprc01.wk4		

China's Corn Imports By Origin, MY 2000/2001 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
China	0	1,040	6,300	8,671	16,012
Thailand	0	0	7,000	6,460	13,460
Australia	60	120	61	0	241
United States	0	0	11	108	119
Myanmar	0	0	64	0	64
Peru	0	18	0	18	36
France	0	4	4	0	9
Germany	0	5	2	0	7
Argentina	0	0	7	0	7
All Others	0	4	3	0	7
Grand Total	60	1,191	13,454	15,256	29,961
Source: China Customs HS Codes: 1005.1000, 1005.9000					

China's Corn Imports By Origin, MY 2001/2002 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
China	4,344				4,344
Myanmar	1,174				1,174
Vietnam	590				590
Peru	101				101
Japan	0				0
Philippines	0				0
India	0				0
Brazil	0				0
Hong Kong	0				0
All Others	0				0
Grand Total	6,209				6,209
Source: China Customs HS Codes: 1005.1000, 1005.9000					

China's Corn Exports By Destination, MY 2000/2001 (Metric Tons)					
Country	Oct-Dec	Jan-Apr	May-Jun	Jul-Sep	Total
South Korea	1,533,292	1,535,467	436,199	710,862	4,215,820
Malaysia	703,975	442,640	154,990	310,286	1,611,891
Indonesia	250,040	83,203	32,956	46,209	412,408
Japan	42,189	110,643	78,843	132,930	364,605
North Korea	148,084	35,580	104,851	70,026	358,541
Sri Lanka	6,212	19,070	20,938	66,781	113,001
Vietnam	8,355	41,068	0	300	49,723
Philippines	0	20,201	8,797	17,950	46,949
Hong Kong	4,404	2,394	7,619	16,425	30,842
All Others	24,070	560	900	27,665	53,195
Grand Total	2,720,621	2,290,826	846,093	1,399,435	7,256,975
Source: China Customs HS Codes: 1005.1000, 1005.9000					

China's Corn Exports By Destination, MY 2001/2002
(Metric Tons)

Country	Oct-Dec	Jan-Apr	May-Jun	Jul-Sep	Total
Malaysia	443,046				443,046
South Korea	400,765				400,765
Indonesia	237,933				237,933
North Korea	160,752				160,752
Japan	88,413				88,413
Bangladesh	65,139				65,139
Sri Lanka	36,101				36,101
Hong Kong	20,576				20,576
Vietnam	6,854				6,854
All Others	2,051				2,051
Grand Total	1,461,630				1,461,630

Source: China Customs
HS Codes: 1005.1000, 1005.9000

Rice

I. Situation and Outlook

Planting acreage and production declined in MY 2001. Estimates indicate that planting acreage declined by 5.7 percent and production declined by 4.4 percent. Declines are expected for MY 2002 as well. However, provincial officials expect the planting acreage rate of decline to slow. In addition, production declines should slow as yields improve with better quality hybrid planting.

Reported wholesale market prices for Indica and Japonica have climbed during the year. Reasons for the price rise include production decreases around the Yellow River and Yangtze River areas. Reports also indicate some increases in total consumption. The biggest consumption growth areas are in feed and industrial use. The two factors, decreased production and increased consumption, have had a combined impact on China's farm and state rice stocks. There are no official records of how much grain is in stock. However, some high-end estimates show that the last two years could have reduced China's rice stocks by about 35 MMT. Although this appears to be a large decrease in stocks, one provincial official mentioned that it would be another two or three years before stocks hit a level at which rice imports would become necessary or practical.

When China joined the WTO in the last quarter of MY 2001, rice became one of the grains subject to a tariff rate quota. The interim measures for Tariff Rate Quota Allocation (CH2007) and the implementation measures for 2002 Tariff Rate Quota Allocation (CH2008) have recently been released by China's State Development and Planning Commission. The in-quota tariff rate is one percent. Also, beginning with Calendar Year 2002, China changed and expanded the tariff codes for rice. Please see the tariff section at the end of this report for a complete listing of the new tariff items.

Rice imports in MY 2001 increased over the previous year by around 22.9 percent. Nearly all of the rice imports were from Thailand. High-quality fragrant rice imports from Thailand are expected to continue in MY 2002. However, government officials and importers do not expect the full rice import quota to be used in 2002. Rice exports in MY 2001 decreased by 36.9 percent. Tighter supply and restricted export subsidies should cause exports to continue declining in MY 2002, but at a slower rate.

II. Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Harvested	29962	29962	29200	28200	0	27500
Beginning Stocks	98500	9850 0	94125	94125	84525	84315
Milled Production	131536	131536	126700	126000	0	124000
Rough Production	187909	187909	181000	180000	0	177143
MILLING RATE (.9999)	7000	7000	7000	7000	0	7000
TOTAL Imports	225	225	310	800	0	1000
Jan-Dec Imports	225	225	310	800	0	1000
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	230261	230261	221135	220925	84525	209315
TOTAL Exports	1800	1800	2000	2000	0	2000
Jan-Dec Exports	1800	1800	2000	2000	0	2000
TOTAL Dom. Consumption	134336	134336	134610	134610	0	134500
Ending Stocks	94125	94125	84525	84315	0	72815
TOTAL DISTRIBUTION	230261	230261	221135	220925	0	209315

China's Average Wholesale Market Rice Prices

(Renminbi Per Metric Ton, RMB 8.27 = USD 1.00)

Month National Average	Milled Early Indica Grade 1 Prices	Milled Japonica Grade 1 Producing Area Prices /1	Milled Japonica Grade 1 Sales Area Prices /2
December (2000)	1,323	1,620	1,800
January (2001)	1,422	1,616	1,770
February	1,462	1,662	1,800
March	1,417	1,698	1,840
April	1,435	1,766	1,920
May	1,423	1,872	1,970
June	1,430	1,896	1,975
July	1,410	1,944	2,075
August	1,453	1,956	2,100
September	1,467	1,964	2,120
October	1,473	1,928	2,100
November	1,470	1,904	2,060
December	1,463	1,852	1,990

/1 Jilin, Heilongjiang, Anhui, Jiangsu, Hubei
/2 Beijing, Zhejiang
Source: China National Grain and Oils Information Center
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China's Rice Imports By Origin, MY 2001
(Metric Tons)

Country	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Thailand	88,890	30,897	55,595	116,879	292,261
Hong Kong	47	19	32	160	257
Laos	0	250	0	0	250
United States	108	0	33	32	173
Taiwan	69	50	22	1	141
Germany	0	5	54	17	76
India	31	0	0	0	31
Indonesia	0	22	0	0	22
Chile	16	0	0	0	16
All Others	1	1	5	0	6
Grand Total	89,160	31,243	55,741	117,088	293,233

Source: China Customs
HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000, 1006.4000, 1102.3000

China's Rice Exports By Destination, MY 2001 (Metric Tons)					
Country	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Ivory Coast	161,500	306,067	258,798	171,483	897,848
Cuba	42,550	75,832	26,250	51,289	195,922
Iraq	46,120	51,602	12,146	0	109,867
Japan	52,364	9,857	11,402	32,847	106,470
North Korea	5,815	8,925	13,182	60,897	88,820
South Korea	6,005	1	0	70,169	76,175
Russia	15,257	18,117	19,458	22,855	75,686
Libya	0	39,000	22,050	0	61,050
Malaysia	6,500	13,000	0	33,358	52,858
All Others	31,119	17,409	62,530	86,803	197,861
Grand Total	367,229	539,810	425,817	529,701	1,862,557

Source: China Customs
HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000, 1006.4000, 1102.3000

III. Structural and Long Term Issues

Production

Most recent rice acreage reduction is the result of China's continued agricultural re-structuring for WTO competitiveness and reduced government procurement. Most of the recent production decreases are in central China's rice growing areas or in the Northeast. These areas now suffer water resource deficiencies and planting acreage should decline further in the future. Press reports indicate that Beijing municipality has even initiated a program to transfer rice growing area to anti-drought plants. Other regions with marginal quality land for rice growing are expected to follow Beijing's lead.

Farmers have been planting more high-quality rice that has resulted in improved yields. In addition, yields have been aided by intensive agriculture chemical and fertilizer use. Better yields resulted in marginally better total production in South China's Guangdong and Sichuan provinces. However, this follows on significant production declines over the past two years. All other rice growing areas in China showed an overall decline in production as a result of planting decreases. Indications are that China will produce more high-quality rice in more provinces and, therefore, yields, in general, should improve. As of now, it is estimated that high-quality rice is planted on over half of China's rice acreage.

With China's completion of the rice genome during MY 2001, many are hopeful that newer and better hybrid rice strains will be developed in the future. Government officials are also hopeful that improved rice strains will reduce intensive chemical inputs and allow quality to improve.

Consumption

Government estimates indicate that rice consumption is growing. The largest overall growth is in food consumption. Feed use of rice has also grown at a faster rate over the last year. This growth is expected to continue in the future as

China's animal and livestock industry expands. In addition, as other feed ingredient costs rise, low-quality inexpensive rice will be an attractive alternative for small-scale or low-intensity livestock producers. Many livestock producers are aware that the nutritional value for animals is low, but they must rely on what is available and inexpensive. The only area with visible consumption decline is rice seed. This is a result of less planting acreage and improvements in hybrid rice seed quality.

Guangdong province, a large indica rice growing province, estimates that growers use about 30 kilograms of rice seed per hectare. Jiangsu province, a large japonica rice growing province, estimates that farmers use between 37 to 60 kilos of rice seed per hectare. Most rice growers use seed from home stock, but farmers growing hybrid rice purchase from area seed suppliers. Government officials in both provinces admit that seed usage is higher than necessary, but farmers can use home-stored seed or purchase seed relatively inexpensively and the return is higher than the input costs. As of now, there is no reported GM rice seed being used for production in these provinces.

The Government appears to be procuring less low-quality rice from farmers. In the past, farmers could pay annual land taxes in grains. Now, several provinces are requiring farmers to pay land taxes in cash or allowing farmers to choose between paying cash or paying in kind. The result is that farmers can no longer provide marginal quality grains to procurement offices. Instead, farmers must produce better quality rice and grains to be sold on the open market or store the low-quality rice and grains for home use.

Stocks

Rice stocks are at high levels, but, over the last two years, the government has reported that rice stocks are beginning to be drawn down. Rice stocks are considered adequate for at least the next two or three years. Stocks are separated into three different grades. Stocks, in large part, continue to be low-quality rice. The government is still trying to replace low-quality stocks with better quality and more marketable rice.

Trade

According to China Customs data, MY 2001 rice imports increased almost 23 percent over MY 2000. This percentage increase is, however, on a small volume. Total rice import volume was around 293 TMT. Nearly all rice imports were high-quality fragrant rice from Thailand. These imports went mostly to Southern China. Chinese importers are knowledgeable about the rice market in Thailand. They are aware of seasonal availability and differences in quality across each region. Transport costs are relatively low. Importers expect to purchase more Thailand rice next year. Rice imports often take place in the last quarter of the calendar year.

One change since last year is that the market is now opening to individual buyers with adequate facilities and adequate resources. Trade is opening up faster in some provinces than in others. Also, Government regulations now allow domestic rice to be traded by buyers with adequate warehouses, sales space, capital, and human resources. If a trading entity wants to import rice, the entity must still apply for a grain import permit and an imported grain inspection permit prior to signing any trade contracts. Enforcement of these import measures does not appear to be uniform. Also the Government has not published standards that define what facilities and resources are "adequate."

In MY 2001, rice exports decreased almost 37 percent over market year 2000. Total export rice volume was over 1.862 MMT. Almost one-half of all rice exports were to the Ivory Coast. The Ivory Coast accounted for a large

portion of China's rice exports in MY 2000, as well. Many of the Chinese government officials and traders feel that China's low labor costs are a competitive advantage for growing rice. Therefore, they believe China will continue to be a large exporter. However, they are beginning to recognize the advantages of growing other labor intensive products like vegetables and flowers that would earn farmers a higher profit. As a result, rice exports may decline and the export of other labor intensive products could expand.

Provincial government officials and grain traders do not believe the full quota for rice imports will be needed in 2002 or any time in the near future. With rice stocks considered adequate for at least the next two or three years, rice imports are not expected to expand significantly. The only growth in rice imports is seen in fragrant varieties that are for individual consumption. As China's disposable income grows, more consumers are expected to begin purchasing better quality and fragrant rice for home use. Domestic producers are attempting to supply these varieties.

Sorghum

Situation and Outlook

The serious drought in MY2001 affected total grain crop production. However, for sorghum it actually helped some. Farmers re-planted failed crops with sorghum because of its drought resistance. Sorghum area should decrease to normal levels in 2002, and remain stable in the long term.

Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Sorghum				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Harvested	889	889	940	940	0	900
Beginning Stocks	126	170	153	130	223	150
Production	2582	2582	2700	2940	0	2810
TOTAL Mkt. Yr. Imports	25	0	0	0	0	0
Oct-Sep Imports	25	0	0	0	0	0
Oct-Sep Import U.S.	25	0	0	0	0	0
TOTAL SUPPLY	2733	2752	2853	3070	223	2960
TOTAL Mkt. Yr. Exports	19	19	30	20	0	20
Oct-Sep Exports	19	19	30	20	0	20
Feed Dom. Consumption	477	520	300	680	0	540
TOTAL Dom. Consumption	2561	2603	2600	2900	0	2810
Ending Stocks	153	130	223	150	0	130
TOTAL DISTRIBUTION	2733	2752	2853	3070	0	2960

China's Sorghum Imports By Origin, MY 2000/2001
(Metric Tons)

Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Myanmar	35	42	185	0	262
Australia	0	40	0	22	62
United States	0	35	0	0	35
Japan	0	0	0	0	0
Grand Total	35	117	186	22	359

Source: China Customs
HS Code: 1007.0010, 1007.0090

China's Sorghum Imports By Origin, MY 2001/2002
(Metric Tons)

Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Myanmar	786				786
All Others	0				0
Grand Total	786				786

Source: China Customs
HS Code: 1007.0010, 1007.0090

China's Sorghum Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Taiwan	3,013	2,445	5,413	2,466	13,337
South Korea	1,270	1,144	827	517	3,758
Belgium	0	0	238	863	1,101
Japan	54	167	86	106	412
Malaysia	34	64	50	34	182
United States	6	6	0	0	12
North Korea	2	0	0	0	2
Canada	2	0	0	0	2
All Others	0	0	0	0	0
Grand Total	4,380	3,826	6,614	3,986	18,806

Source: China Customs
HS Code: 1007.0010, 1007.0090

China's Sorghum Exports By Destination, MY 2001/2002
(Metric Tons)

Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Taiwan	2,624				2,624
South Korea	1,750				1,750
Japan	126				126
Malaysia	43				43
All Others	0				0
Grand Total	4,542				4,542

Source: China Customs
HS Code: 1007.0010, 1007.0090

Barley

Situation and Outlook

In general, barley production is falling due to decreased planting area. Domestic varieties are considered inadequate particularly for brewing needs. In addition in 2001, traditional growing areas like Jiangsu and Zhejiang provinces were inundated with rain during harvest season. As a result, yields were lower. Production areas are moving gradually to the central and western reaches of China. With improved varieties and agriculture restructuring, barley produced for brewing use will increase steadily. However, total barley production is expected to decrease. Domestic barley production is still far lower than actual demand. Reliance on imports is expected to continue.

Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Harvested	790	791	800	770	0	765
Beginning Stocks	150	350	395	300	222	270
Production	2645	2646	2530	2535	0	2580
TOTAL Mkt. Yr. Imports	2500	2304	2500	2400	0	2450
Oct-Sep Imports	2500	2304	2500	2400	0	2450
Oct-Sep Import U.S.	0	56	0	70	0	80
TOTAL SUPPLY	5295	5300	5425	5235	222	5300
TOTAL Mkt. Yr. Exports	0	2	3	2	0	2
Oct-Sep Exports	0	2	3	2	0	2
Feed Dom. Consumption	500	1580	800	1430	0	1380
TOTAL Dom. Consumption	4900	4998	5200	4963	0	5028
Ending Stocks	395	300	222	270	0	270
TOTAL DISTRIBUTION	5295	5300	5425	5235	0	5300

China's Barley Imports By Origin, MY 2000/2001 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Australia	372,532	216,075	415,596	382,509	1,386,712
Canada	81,500	147,129	198,643	158,782	586,054
France	39,930	49,971	103,207	68,925	262,032
United States	0	56,473	0	0	56,473
New Zealand	0	0	13,540	0	13,540
Mexico	0	0	0	0	0
All Others	0	0	0	0	0
Grand Total	493,962	469,648	730,986	610,217	2,304,813
Source: China Customs HS Codes: 1003.0010, 1003.0090					

China's Barley Imports By Origin, MY 2001/2002 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Australia	277,737				277,737
France	145,081				145,081
Canada	134,343				134,343
United States	0				0
All Others	0				0
Grand Total	557,161				557,161
Source: China Customs HS Codes: 1003.0010, 1003.0090					

China's Barley Exports By Destination, MY 2000/2001 (Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
North Korea	60	102	220	0	382
South Korea	0	0	200	0	200
Russia	0	0	30	0	30
Japan	0	0	11	5	16
All Others	0	0	0	0	0
Grand Total	60	102	461	5	628
Source: China Customs HS Codes: 1003.0010, 1003.0090					

China's Barley Exports By Destination, MY 2001/2002
(Metric Tons)

Country	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
North Korea	130				130
Vietnam	4				4
All Others	0				0
Grand Total	134				134

Source: China Customs
HS Codes: 1003.0010, 1003.0090

Edible Beans

Situation and Outlook

There continues to be little data available for bean production or consumption. Available resources indicate that production area has been expanding. As post mentioned last year, farmers are finding beans an attractive alternative as the Government reduces and eliminates price supports for grains. Bean imports continue to be significantly lower than exports. This trade situation is likely to continue.

Tables

China's Mung Bean Imports By Origin, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Myanmar	1,262	1,006	1,055	477	3,800
Thailand	250	9	160	202	621
Australia	43	0	0	431	474
Hong Kong	0	21	22	46	89
China	2	0	4	0	6
Japan	0	0	0	0	0
Grand Total	1,557	1,036	1,240	1,156	4,990

Source: China Customs
HS Code: 0713.3110, 0713.3190

China's Mung Bean Imports By Origin, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Thailand	158	70			228
Hong Kong	43	24			67
Australia	43	0			43
Myanmar	29	0			29
China	4	2			6
Grand Total	277	96			373

Source: China Customs
HS Code: 0713.3110, 0713.3190

China's Mung Bean Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Japan	4,240	5,549	13,614	19,264	42,667
United States	1,410	2,304	1,971	3,021	8,706
Vietnam	430	4,145	2,705	1,035	8,315

South Korea	1,610	1,701	1,320	1,446	6,077
Netherlands	939	1,413	1,477	1,115	4,944
Hong Kong	868	1,372	1,260	1,210	4,710
Taiwan	508	1,523	897	652	3,580
Philippines	239	965	1,168	515	2,887
Canada	396	767	758	835	2,755
All Others	1,212	1,858	2,430	2,164	7,665
Grand Total	11,852	21,598	27,601	31,257	92,308
Source: China Customs HS Code: 0713.3110, 0713.3190					

China's Mung Bean Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Vietnam	2,759	12,054			14,813
Japan	4,713	8,299			13,012
India	0	11,047			11,047
Philippines	976	8,435			9,411
South Korea	2,776	2,002			4,778
United States	2,164	2,396			4,561
Malaysia	307	3,367			3,675
Netherlands	907	1,542			2,449
Hong Kong	527	1,786			2,312
All Others	3,156	8,104			11,260
Grand Total	18,285	59,033			77,318
Source: China Customs HS Code: 0713.3110, 0713.3190					

China's Adzuki Bean Imports By Origin, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
North Korea	0	55	104	207	365
China	9	8	7	273	296
Thailand	0	0	21	0	21
Taiwan	0	0	0	1	1
All Others	0	0	0	0	0
Grand Total	9	63	131	480	683
Source: China Customs HS Codes: 0713.3210, 0713.3290					

China's Adzuki Bean Imports By Origin, MY 2001/2002
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
North Korea	63	79			142
China	4	10			14
All Others	0	0			0
Grand Total	67	89			156

Source: China Customs
HS Codes: 0713.3210, 0713.3290

China's Adzuki Bean Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Japan	4401	3739	7274	6233	21647
South Korea	6175	6608	3099	4705	20587
Taiwan	2225	0	0	2385	4610
Malaysia	486	510	591	1824	3411
Hong Kong	531	306	490	778	2106
Philippines	304	166	938	674	2082
Singapore	121	150	152	372	795
United States	152	151	191	269	763
Indonesia	0	24	0	260	284
All Others	109	219	275	210	813
Grand Total	14505	11872	13009	17710	57096

Source: China Customs
HS Codes: 0713.3210, 0713.3290

China's Adzuki Bean Exports By Destination, MY 2001/2002
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
South Korea	4195	9892			14087
Japan	3038	5910			8948
Malaysia	1025	950			1974
Taiwan	1747	100			1847
Hong Kong	514	443			956
Philippines	241	474			715
United States	104	319			423
Singapore	209	187			396
United Kingdom	105	68			173
All Others	210	257			466
Grand Total	11387	18598			29985

Source: China Customs
HS Codes: 0713.3210, 0713.3290

China's Kidney Bean Imports By Origin, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
North Korea	0	14	32	25	71
Myanmar	7	10	40	0	57
Japan	0	0	0	15	15
United States	2	1	5	0	8
All Others	0	0	0	0	0
Grand Total	9	25	77	40	151

Source: China Customs
HS Codes: 0713.3310, 0713, 3390

China's Kidney Bean Imports By Origin, MY 2001/2002
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Myanmar	60	80			140
All Others	0	0			0
Grand Total	60	80			140

Source: China Customs
HS Codes: 0713.3310, 0713, 3390

China's Kidney Bean Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Cuba	18314	0	0	58404	76718
Italy	2854	9871	13248	9666	35638
Pakistan	5728	10474	7553	10404	34159
South Africa	3803	4904	11895	7427	28028
Turkey	1392	6908	13899	3168	25367
Iraq	8328	1988	380	10641	21337
Egypt	0	1964	8817	4909	15689
India	840	4293	6102	3196	14430
Japan	1297	2092	5616	4576	13580
All Others	5956	19877	28805	17702	72340
Grand Total	48512	62369	96314	130092	337287

Source: China Customs
HS Codes: 0713.3310, 0713, 3390

China's Kidney Bean Exports By Destination, MY 2001/2002 (Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Turkey	1751	25886			27637
Venezuela	7203	19831			27034
Cuba	20847	67			20914
Italy	4025	14818			18844
Pakistan	12166	6665			18831
United States	731	8772			9503
Iraq	4930	2501			7432
Belgium	2355	4385			6740
South Africa	1650	4772			6423
All Others	22823	44853			67675
Grand Total	78482	132553			211035

Source: China Customs
HS Codes: 0713.3310, 0713, 3390

China's Other Dry Bean Imports By Origin, MY 2000/2001 (Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Myanmar	14	47	0	0	61
Taiwan	18	8	0	1	27
United States	5	8	5	4	22
North Korea	0	0	0	16	16
Thailand	3	0	0	1	4
Indonesia	0	0	0	2	2
All Others	0	0	0	0	0
Grand Total	40	63	5	24	132

Source: China Customs
HS Code: 0713.3900

China's Other Dry Bean Imports By Origin, MY 2001/2002 (Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
North Korea	18	46			64
United States	9	13			23
Taiwan	8	0			8
Indonesia	4	0			4
France	1	0			1
All Others	0	0			0
Grand Total	40	59			99

Source: China Customs
HS Code: 0713.3900

China's Other Dry Bean Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Japan	360	946	1472	1150	3927
Indonesia	22	1997	357	0	2376
South Korea	57	532	114	227	930
Pakistan	0	367	107	174	648
India	0	0	430	0	430
Italy	15	105	0	152	271
Turkey	0	0	147	0	147
Germany	0	0	131	0	131
Hong Kong	17	13	41	26	97
All Others	76	134	89	135	435
Grand Total	546	4094	2888	1865	9393

Source: China Customs
HS Code: 0713.3900

China's Other Dry Bean Exports By Destination, MY 2001/2002
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Indonesia	580	2430			3010
Japan	323	972			1295
Turkey	90	800			890
Pakistan	462	242			703
South Korea	118	377			495
Bulgaria	0	338			338
Philippines	0	327			327
India	0	248			248
Italy	65	163			228
All Others	288	724			1012
Grand Total	1925	6619			8544

Source: China Customs
HS Code: 0713.3900

China's Broad Bean Imports By Origin, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Bolivia	0	0	8	0	8
Australia	2	0	0	2	4
All Others	0	0	0	0	0
Grand Total	2	0	8	2	12

Source: China Customs
HS Codes: 0713.5010, 0713.5090

China's Broad Bean Imports By Origin, MY 2001/2002
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
United Kingdom	0	22			22
All Others	0	0			0
Grand Total	0	22			22

Source: China Customs
HS Codes: 0713.5010, 0713.5090

China's Broad Bean Exports By Destination, MY 2000/2001
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Egypt	0	26994	6875	0	33869
Japan	694	2056	3010	1667	7427
Indonesia	1510	443	1458	799	4210
Italy	0	2540	0	0	2540
Yemen	0	1220	0	1286	2506
Thailand	417	581	352	526	1876
Mexico	64	301	754	86	1205
Saudi Arabia	0	516	516	0	1032
United States	120	61	165	37	382
All Others	260	688	236	391	1574
Grand Total	3064	35398	13366	4793	56621

Source: China Customs
HS Codes: 0713.5010, 0713.5090

China's Broad Bean Exports By Destination, MY 2001/2002
(Metric Tons)

Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Egypt	10042	0			10042
Japan	568	2266			2834
Indonesia	1595	897			2493
Yemen	1126	0			1126
Thailand	563	549			1112
Saudi Arabia	120	301			421
United States	24	140			164
Jordan	141	0			141
Italy	0	120			120
All Others	292	222			516
Grand Total	14473	4495			18968

Source: China Customs
HS Codes: 0713.5010, 0713.5090

Tariff Changes and Duty Rates

China Customs service utilizes and eight digit system for harmonized schedule codes. Beginning on January 1, 2002, China Customs decided to change many of the harmonized schedule codes for grain and feed commodities. In addition, many of the customs tariff rates changed on January 1, 2002. This table is an attempt to aggregate all relevant grain and feed codes and relevant grain and feed tariff rates in HS Chapter 7, 10 and 11.

Customs Import and Export Tariff of the People's Republic of China in 2002

Cereals, Products of the Milling Industry, Malt, Starches, Inulin, Gluten, and Dried Leguminous Vegetables

Harmonized Schedule Code	Description	In-Quota Duty Rate	Out of Quota MFN Duty Rate	Out of Quota General Duty Rate
1001	Wheat			
10011000	- Durum wheat	1	71	180
	- Other:	1	71	180
10019010	---Seed	1	71	180
10019090	---Other	1	71	180
1002	Rye:			
10020010	---Seed		0	0
10020090	---Other		3	8
1003	Barley:			
10030010	---Seed		0	0
10030090	---Other		3	160
1004	Oats:			
10040010	---Seed		0	0
10040090	---Other		2.4	8
1005	Maize (corn):			
10051000	- Seed	1	28	180
10059000	- Other	1	71	180
1006	Rice:			
	- Rice in husk (paddy or rough) (Shien is long-grained non-glutinous rice):			
10061011	---Shien Seed	1	71	180
10061019	---Other Seed	1	71	180
10061091	---Shien Rice	1	71	180
10061099	---Other Rice	1	71	180
	- Husked (Brown) Rice			
10062010	- Shien Rice	1	71	180
10062090	- Other Rice	1	71	180
	- Semi-milled or wholly milled rice, whether or not polished or glazed			
10063010	- Shien Rice	1	71	180
10063090	- Other Rice	1	71	180
	- Broken rice			
10064010	- Shien Rice	1	71	180
10064090	- Other Rice	1	71	180

1007	Grain sorghum:			
10070010	---Seed		0	0
10070090	---Other		2.4	8
1008	Buckwheat, millet and canary seed; other cereals:			
10081000	- Buckwheat		2.4	8
10082000	- Millet		2.4	8
10083000	- Canary Seed		2.4	8
	- Other cereals:			
10089010	---Seed		0	0
10089090	---Other		3	8
1101	Wheat flour:			
11010000	Wheat flour	6	71	130
1102	Cereal flours other than of wheat:			
11021000	- Rye flour		5.8	14
11022000	- Maize (corn) flour	9	56	130
	- Rice flour			
11023010	-- Shien Rice	9	56	130
11023090	-- Other Rice	9	56	130
11029000	- Other		5.8	14
1103	Cereal groats, meal and pellets:			
	-Groats and meal:			
11031100	-- Of wheat	9	71	130
11031300	-- Of maize (corn)	9	71	130
	-- Of other cereals			
11031910	--- Of oats		5.8	14
	--- Of rice			
11031921	---- Shien Rice	9	22	70
11021929	---- Other Rice	9	22	70
11031990	--- Other		5.8	14
	- Pellets:			
11032100	-- Of wheat	10	71	130
11032090	-- Of other cereals		24	50
1104	Cereal grains otherwise worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled), except rice of heading No. 10.06; germ of cereals, whole, rolled, flaked or ground:			
	- Rolled or flaked grains:			
11041200	-- Of oats		24	50
	-- Of other cereals			
11041910	--- Of barley		28	50
11041990	--- Of others		24	50
	- Other worked grains (for example, hulled, pearled, sliced or kibbled):			
11042200	-- Of oats		24	50
11042300	-- Of maize (corn)	10	71	180
	-- Of other cereals			
11042910	--- Of barley		65	114
11042990	--- Of other cereals		24	50

11043000	- Germ Of cereals, whole, rolled, flaked or ground	24	50
1106	Flour, meal, and powder of the dried leguminous vegetables:		
11061000	- Of the dried leguminous vegetables of heading No.07.13	12	30
1107	Malt, whether or not roasted:		
11071000	- Not roasted	10	50
11072000	- Roasted	10	50
1108	Starches; inulin:		
	- Starches:		
11081100	-- Wheat starch	20	50
11081200	-- Maize (corn) starch	20	50
11081900	-- Other starches	20	50
11082000	- Inulin	24	50
1109	Wheat gluten, whether or not dried:		
11090000	Wheat gluten, whether or not dried	22.8	80
713	Dried leguminous vegetables, shelled, whether or not skinned or split:		
	- Peas (Pisum sativum):		
7131010	---Seed	0	0
07131090	---Other	5	20
	- Chickpeas (garbanzos):		
07132010	---Seeds	0	0
7132090	---Other	7.4	20
	- Beans (Vigna spp., Phaseolus spp.):		
	-- Beans of the species Vigna mungo (L) Hepper or Vigna radiata (L) Wilczek:		
07133110	---Seeds	0	0
7133190	---Other	3	11
	-- Small red (Adzuki) beans (Phaseolus or Vigna angularis and Phaseolus calcaratus):		
7133211	--- Adzuki (Phaseolus or Vigna angularis) seed	0	0
7133290	--- Adzuki (Phaseolus calcaratus) seed	0	0
7133290	---Other	4.2	14
	-- Kidney beans, including white pea beans (Phaseolus vulgaris):		
07133310	---Seeds	0	0
7133390	---Other	7.7	20
7133900	-- Other	7.4	20
	- Lentils:		
7134010	---Seeds	0	0
07134090	---Other	7	20
	- Broad beans (Vicia faba var. Major) and horse beans (Vicia faba var. equina, Vicia faba var. minor):		
7135010	---Seeds	0	0
7135090	---Other	7.4	20
	-Other:		
7139010	--- Seed	0	0
7139090	--- Other	7.4	20

Source: China Customs Import and Export Tariff of the PRC Calendar Year 2002
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